

Message Text

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TO AMEMBASSY MEXICO

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E.O. 11652: N/A

TAGS: BEXP, MX

SUBJECT: MEXICAN STEEL INDUSTRY REQUEST FOR

--- INFORMATION ON U.S. STEEL INDUSTRY

REF: A) MEXICO 10644 B) MEXICO A-523

1. APPRECIATE EMBASSY BRINGING POTENTIAL OPPORTUNITIES
REFTELS TO OUR ATTENTION. MEPD VERY INTERESTED IN
EXPLORING POSSIBILITIES FOR U.S. PARTICIPATION IN STEEL
EXPANSION PROJECTS OUTLINED IN REF B) AND ENCLOSED
APPENDICES.

2. MEPD HAS INVESTIGATED SOURCES OF INFORMATION ON
STEEL INDUSTRY IN U.S. INFORMATIONAL MATERIAL IS BEING
AIR POUCHED TO EMBASSY. COMPENDIUM PUBLISHED BY U.S.
STEEL CORP. IS WIDELY CONSIDERED TO BE BEST TREATISE ON
SUBJECT. USDOC FOLLOW-UP ON REQUEST BY EMBOFF TO USS
REVEALED THAT CORP. WILL NOT SEND COPIES UNTIL RECEIPT OF
ORDER FORM WITH CHECK FOR PAYMENT. FOREIGN CHARGE
(INCL. DELIVERY) IS TWENTY-EIGHT DOLLARS, FIFTY CENTS
EACH. SEND CHECK AND ORDER FORM TO: SUPERINTENDANT OF
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STORES, U.S. STEEL CORP., PITTSBURGH SERVICE CENTER,
1509 MURIEL STREET, PITTSBURGH, PA. 15203. ORDER
FORMS INCLUDED IN AIR POUCH.

3. ADDITIONAL SOURCES OF INFORMATION INCLUDE THE "IRON
AND STEEL WORKS DIRECTORY OF THE UNITED STATES AND
CANADA" WHICH LISTS PRODUCERS, PLANTS AND PRODUCTS.
PUBLICATION IS AVAILABLE FROM THE AMERICAN IRON AND
STEEL INSTITUTE, 1000 16TH STREET, N.W., WASHINGTON, D.C.
20036, FOR TEN DOLLARS. HOWEVER, AS MEMBERS OF AISI,
FUNDIDORA AND HYLSA SHOULD HAVE THIS PUBLICATION IN
MEXICO. OTHER SOURCES ARE PERIODICALS SUCH AS THE "IRON
AND STEEL ENGINEERS MAGAZINE" AND "IRON AGE."

4. A COPY OF THE STEEL INDUSTRY CHAPTER, REPRODUCED
FROM "U.S. INDUSTRIAL OUTLOOK 1975", A USDOC PUBLICATION,
IS INCLUDED IN THE AIR POUCH. ESTIMATES FOR 1974, 1975
INDUSTRY TRENDS AND PROJECTIONS MAY BE OVERLY OPTIMISTIC
AS THEY DO NOT REFLECT PRESENT ECONOMIC DOWNTURN.

5. MEPD HAS REVIEWED REF B) AND ACCOMPANYING APPENDICES
A THROUGH Z BUT BASIS FOR EMBASSY ASSESSMENT OF LARGE
SALES POTENTIALS FOR U.S. FIRMS STEMMING FROM MEXICAN
STEEL EXPANSION PROGRAM IS SOMEWHAT UNCLEAR. WITH SOME
EXCEPTIONS, MEPD HAS FOUND MEXICAN STEEL INDUSTRY NOT
RECEPTIVE TO PAST OVERTURES MADE, PERHAPS DUE TO
FINANCING PROBLEMS OUTLINED ON PAGE 26 OF REF B).
IN ORDER TO FACILITATE FURTHER EXPLORATION OF THIS
QUESTION EMBASSY IS REQUESTED TO PROVIDE INFORMATION ON
FOLLOWING ASPECTS OF MEXICAN STEEL EXPANSION PROGRAM.

--- (A) SPECIFIC MAJOR ENGINEERED PACKAGES, MODULES
--- OR FACILITIES WHICH OFFER SALES POTENTIAL
--- FOR U.S. FIRMS;

--- (1) HOW DOES EMBASSY PLAN TO TAKE
--- ADVANTAGE OF INFO ON U.S. STEEL
--- INDUSTRY PROVIDED IN RESPONSE TO
--- REF A)?

--- (2) PLEASE PROVIDE TIME-TABLE WHERE
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--- POSSIBLE FOR PROJECTS WITH POTENTIAL
--- U.S. PARTICIPATION IN SALES OR DESIGN/
--- CONSTRUCTION.

--- (B) WHERE MORE SPECIFIC PLANS FOR EXPANSION ARE
--- OUTLINED, AS IN APPENDIX Z, INFORMATION ON
--- STATUS OF PROJECT DEVELOPMENT IS REQUESTED,

--- SUCH AS:

- (1) FINANCING,
- (2) FOREIGN COMPETITION,
- (3) CONTRACTING PROCEDURES,
- (4) PROJECT VALUE AND PARAMETERS, AND
- (5) WHETHER ENGINEERING SPECIFICATIONS
--- WILL BE DRAWN BY (A) MEXICAN PLANNERS
--- THEMSELVES, (B) ENGINEERING CONSULTANTS
--- ALREADY ON CONTRACT, OR (C) ENGINEERING/
--- CONSTRUCTION FIRM SELECTED THROUGH
--- OPEN BIDDING.

6. WE SUGGEST THE EMBASSY CONSIDER ESTABLISHMENT OF AN ACTION PLAN WHICH WOULD FACILITATE CLOSER SUPPORT FROM COMMERCE AND INDUSTRY FOR THE EMBASSY'S PROGRAMS DIRECTED TOWARDS IMPROVING U.S. ECONOMIC PRESENCE IN MEXICO. OBJECTIVES OF SUCH A PROGRAM WOULD BE:

- (A) TO ASSURE OPTIMUM U.S. INDUSTRY AWARENESS AND
--- RESPONSE TO ALL DEVELOPING OPPORTUNITIES
--- RELATED TO THE MEXICAN STEEL EXPANSION
--- PROGRAM THROUGH APPROPRIATE USG INVOLVEMENT
--- AND PROVISION OF NECESSARY MECHANISMS FOR
--- CHANNELING AND DISCUSSING THESE OPPORTUNITIES
--- WITH SELECTED FIRMS.

- (B) HIGHLIGHT USG DESIRE TO OBTAIN FOR QUALIFIED
--- U.S. FIRMS A FAIR SHARE OF THE BUSINESS BY
--- WORKING IN CONCERT WITH U.S. COMPANIES PREPARED
--- TO NEGOTIATE AND CONSUMMATE CONTRACT WORK IN
--- MEXICO, AND ATTEMPT TO FAVORABLY INFLUENCE
--- AWARDS TO U.S. FIRMS THROUGH OFFICIAL ACTIONS
--- AND EXPRESSION OF INTEREST AND CONCERN, AND
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- BY HIGHLIGHTING QUALIFICATIONS OF PARTICIPAT-
--- ING U.S. FIRMS.

- (C) IDENTIFY ALL PARAMETERS NECESSARY SUCCESS-
--- FULLY NEGOTIATING CURRENTLY ACTIVE/UPCOMING
--- MAJOR PROJECTS AND WHERE NEEDED, INFLUENCE
--- DECISION MAKERS.

EMBASSY VIEWS AND SUGGESTIONS WOULD BE WELCOME. KISSINGER

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